

AMENDED IN ASSEMBLY AUGUST 7, 2013

AMENDED IN ASSEMBLY APRIL 16, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

Assembly Constitutional Amendment

No. 2

Introduced by Assembly Members Nestande and Olsen
(Coauthors: Assembly Members Bigelow, Harkey, Maienschein,
Wagner, and Wilk)
(Coauthor: Senator Cannella)

December 18, 2012

Assembly Constitutional Amendment No. 2—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 8.7 to Article XVI thereof, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

ACA 2, as amended, Nestande. Education finance: payment of state apportionments.

Existing law establishes the public elementary and secondary schools and the system of public community colleges in this state, and provides for a system for their funding. Provisions of the California Constitution require that a minimum amount of aggregate funding, calculated as specified, be allocated to school districts and community college districts *unless this requirement is suspended, as provided*. Pursuant to existing statutes, school districts, community college districts, and other local educational agencies receive a portion of their funding through apportionments of state funds made in accordance with payment schedules.

This measure would require that the total amount due for allocation to school districts, county offices of education, charter schools, and community college districts pursuant to the constitutional minimum funding requirement described above for a fiscal year, as estimated at the time of enactment of the annual Budget Act for that fiscal year, be apportioned pursuant to statute during that fiscal year, unless that minimum funding requirement is suspended for that fiscal year pursuant to an existing constitutional provision authorizing that suspension year. The measure would require this estimate to be set forth in the Budget Bill passed by the Legislature.

The measure would require apportionments of state aid to school districts, county offices of education, charter schools, and community college districts to be made no later than the times specified by the statutory payment schedule that was in effect during the 2000–01 fiscal year, except that the Legislature may require by statute that these apportionments be made earlier in the fiscal year.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring,* That the
2 Legislature of the State of California at its 2013–14 Regular
3 Session commencing on the third day of December 2012,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California that the
6 Constitution of the State be amended as follows:

7 First—The people of the State of California find and declare all
8 of the following:

9 (a) Beginning in the 2001–02 school year as a small and
10 temporary budget solution, and increasing significantly in the
11 2008–09 school year, California has excessively relied on deferring
12 state apportionments to school districts and community college
13 districts to balance the state budget. ~~Over ten~~ *Approximately six*
14 billion dollars ~~(\$10,000,000,000)~~ *(\$6,000,000,000)* is now used
15 as a budget mechanism to fund other government programs by
16 withholding funds for our public schools and community colleges
17 and not paying what is owed to them under constitutional K-12
18 and community college funding guarantees, misleading
19 Californians as to the true amount of cuts *forced on schools* and
20 the actual funding available to operate our public schools and
21 community colleges.

1 (b) The fact that one dollar (\$1) out of every ~~five~~ *10* dollars (~~\$5~~)
2 (~~\$10~~) owed to K-12 schools and community colleges is not paid
3 until after the end of the academic school year has taken a
4 demoralizing toll on the teaching professions of both systems by
5 contributing to education program uncertainty and *has resulted in*
6 *unprecedented educator layoffs over the past decade*. Programs
7 for K-12 pupils have been reduced or eliminated, including all of
8 the following: career, vocational, and technical education;
9 university preparation; afterschool programs; sports, arts, and
10 music; counseling services; libraries; and even core academic
11 programs. Community ~~colleges~~ *college students* have reduced
12 access to courses that ~~students~~ *they* need to graduate on time.

13 (c) California's increasing reliance on the budget practice of
14 deferring state payments to school districts and community college
15 districts results in broken promises to voters, students, and
16 educators because money arrives too late to be used during the
17 school year and is never recovered for the education of the students
18 for whom the money was intended.

19 (d) Because state revenue limit funding is reduced according to
20 the amount of property taxes collected at the local level,
21 low-property-tax-wealth school districts suffer more than
22 high-property-tax-wealth school districts, in that state funding
23 represents a greater portion of their overall budget. As a result of
24 these property tax differentials, for some school districts the
25 amounts deferred represent only a relatively small amount of
26 money, while for other school districts the moneys deferred are a
27 much larger part of their budget. This practice ultimately violates
28 the Equal Protection Clause of the California Constitution with
29 respect to California's funding of public education.

30 (e) ~~Cross-year~~ *Over the past decade, cross-year* deferrals have
31 directly resulted in reduced local school district and community
32 college district control over the maintenance of sound education
33 practices, and have led to inadequate course offerings, unreasonable
34 class sizes, the deterioration of education facilities for lack of
35 maintenance funding, and the depletion of reserves for economic
36 uncertainty because of accumulated annual funding losses. To
37 make ends meet, school districts and community college districts
38 have suffered increased borrowing costs and increased layoffs,
39 and have been forced to take ~~emergency~~ actions that jeopardize
40 their long-term financial health.

1 (f) Eliminating the practice of the deferral of state
2 apportionments to school districts and community college districts
3 will improve our children's education by improving school district
4 and community college district financial health, and reducing the
5 risk of school district or community college district insolvency or
6 the disruption of services from ~~emergency~~ budget cuts to school
7 programs.

8 (g) This measure will force the Legislature and the Governor
9 to account for state funding shortfalls in an open way so that voters
10 can accurately judge what is actually spent on public education
11 without the mask of budget manipulation. If cuts are made to public
12 education because of *a* lack of funding, those cuts should be done
13 openly and based on the projection of revenue for that year, and
14 without deferrals that suggest that a promised payment will be
15 made on some future date that ~~has nothing to do with~~ *is not within*
16 *the current school year and is unrelated to current General Fund*
17 *revenues*.

18 Second—That Section 8.7 is added to Article XVI thereof, to
19 read:

20 SEC. 8.7. (a) The total amount due for allocation to school
21 districts, county offices of education, charter schools, and
22 community college districts to meet the minimum funding
23 requirement of Section 8 for a fiscal year, as estimated at the time
24 of the enactment of the Budget Act for that fiscal year, shall be
25 apportioned pursuant to statute during that fiscal year, unless that
26 minimum funding requirement is suspended for that fiscal year
27 pursuant to subdivision (h) of Section 8. That estimate shall be set
28 forth in the Budget Bill passed by the Legislature.

29 (b) Apportionments of state aid to school districts, county offices
30 of education, charter schools, and community college districts shall
31 be made no later than the times specified by the statutory payment
32 schedule that was in effect during the 2000–01 fiscal year, except
33 that the Legislature may require by statute that these
34 apportionments be made earlier in the fiscal year.